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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91223192
Party	Plaintiff Barnlight Originals, Inc.
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the Matter of Application:

Mark: **BARN LIGHT ELECTRIC COMPANY**
Applicant: Barn Light Electric Company, LLC
Serial No.: 86/476,717
Published: June 9, 2015

Barnlight Originals, Inc.	:	
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Opposer,	:	
	:	
v.	:	Opposition No. 91223192
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Barn Light Electric Company, LLC	:	
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Applicant.	:	
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**OPPOSER’S MEMORANDUM IN OPPOSITION TO
APPLICANT’S MOTION TO SUSPEND PROCEEDINGS**

Opposer Barnlight Originals, Inc. (“Opposer”) hereby opposes Applicant’s Barn Light Electric Company, LLC’s (“Applicant”) Motion to Suspend Proceedings Pending Disposition of Civil Action between the parties pending in the U.S. District Court for the Middle District of Florida, *Barn Light Electric Co. v. Barnlight Originals, Inc. et al*, Case No., 8:14-cv-01955-MSS-AEP (the “Civil Action”).

1. PROCEDURAL HISTORY

On December 10, 2014, Applicant filed trademark application Serial No. 86/476,717 for the mark BARN LIGHT ELECTRIC COMPANY for use in connection with “[t]he bringing together, for the benefit of others, of a variety of goods, namely lights, light fixtures and ceiling

fans, enabling customers to conveniently view and purchase those goods from an Internet web site particularly specializing in the marketing of the sale of goods.” The current opposition was filed by Opposer on August 7, 2015, during the board appointed opposition period for Application Serial No. 86/476,717. On September 8, 2015, Applicant filed the Motion to Suspend the Proceedings Pending Disposition of Civil Action. On September 16, 2015, Applicant filed an Answer to the current opposition proceedings.

The basis for the current opposition is that a portion of the mark BARN LIGHT ELECTRIC COMPANY is generic, specifically the terms “BARN LIGHT.” Application Serial No. 86/476,717 was not pending when the Civil Action was instituted by Applicant and has not been named, by serial number, in the Civil Action.

2. APPLICANT’S MOTION TO SUSPEND SHOULD BE DENIED

First, the language in the *Trademark Trial and Appeal Board Manual of Procedure* (“T.B.M.P.”) § 510.02 regarding suspension is clearly permissive. *See* T.B.M.P. § 510.02(a) (“Whenever it comes to the attention of the Board that a party or parties to a case pending before it are involved in a civil action which may have a bearing on the Board case, proceedings before the Board **may** be suspended until final determination of the civil action.”) (emphasis added). This permissive language “make[s] clear that suspension is not the necessary result in all cases.” *Boyd’s Collection Ltd v. Herrington & Company*, 2003 WL 152427, at *2, 65 U.S.P.Q.2d 2017 (TTAB Jan. 16, 2003). In the instant case, allowing the Board to resolve the dispute “would probably be faster” and “be to the advantage of both sides [of the dispute].” *Kemin Indus., Inc. v. Watkins Products, Inc.*, No. 1-74 CIV. 129, 1974 WL 20194 at *2. (D. Minn. July 8, 1974).

This proceeding should not be suspended for three reasons: (1) because the old assumption that suspension pending the outcome of a civil proceeding was usually appropriate

because the district court's decision carried greater weight has been fundamentally overturned in light of the U.S. Supreme Court's recent decision in *B&B Hardware, Inc. v. Hargis Industries, Inc.*; (2) because based on the pleadings in both proceedings, there is no overlap between the specific issue to be examined in the current opposition (namely, the registrability of Serial No. 86/476,717) and the issues that Applicant alleges in its complaint for trademark infringement, among other claims; and (3) because the Trademark Trial and Appeal Board (the "Board") is the appropriate, expert forum to decide issues of registrability and the Board can do so in the current proceeding with far greater efficiency and economy than the district court.

A. The old assumption that Board proceedings should be suspended to await the binding decision of the district court no longer applies, and thus the Board's inherent, exclusive power to stay or not stay cases on its docket is no longer constrained by issue preclusion concerns.

The Board has long held exclusive power to stay or not stay Board proceedings. 37 C.F.R. § 2.117(a); *see also Opticians Ass'n of Am. v. Independent Opticians of Am. Inc.*, 734 F. Supp. 1171, 14 U.S.P.Q.2d 2021 (D.N.J. 1990) (district court has no control over Board docket and no power to stay Board proceedings), *rev'd on other grounds*, 920 F.2d 187, 17 USPQ2d 1117 (3d Cir. 1990); *see also* Trademark Trial and Appeal Board Manual of Procedure (TBMP) § 510.02(a) ("Suspension of a Board proceeding pending the final determination of another proceeding is solely within the discretion of the Board.").

Although there is no rule that the Board must stay a cancellation or opposition proceeding when the parties are also engaged in a civil proceeding, the Board historically opted to stay Board proceedings because it was thought that the district court's decision would have a binding effect on the Board, and that the Board's decision would carry little weight. *See, e.g., Allied Mills, Inc. v. Janitor Supply Co.*, 188 U.S.P.Q. 507 (N.D. Ind. 1975) (noting that the collateral estoppel effect of the Board's opposition decision would not be given much weight); *see also*

New Orleans Louisiana Saints LLC v. Who Dat? Inc., 99 U.S.P.Q.2d 1550, 1552 (T.T.A.B. 2011) (“A decision by the district court may be binding on the Board whereas a determination by the Board as to a defendant’s right to obtain or retain a registration would not be binding or res judicata in respect to the proceeding pending before the court.”) (citing *Whopper-Burger, Inc. v. Burger King Co.* 171 U.S. P.Q. 805, 807 (TTAB 1971)). In such a legal landscape, it is not surprising that the Board often chose to stay Board proceedings while the parties litigated the civil action. Recently, however, a clear majority of the U.S. Supreme Court fundamentally changed this legal landscape by holding that “a court should give preclusive effect to TTAB decisions if the ordinary elements of issue preclusion are met.” *B&B Hardware, Inc. v. Hargis Indus., Inc.*, No. 13-352, slip op. at 2 (U.S. March 24, 2015).

In considering whether an agency decision can preclude re-litigation of the issue before a district court, the Court stressed that “[b]oth this Court’s cases and the Restatement [of Judgments] make clear that issue preclusion is not limited to those situations in which the same issue is before *two courts*.” *Id.* at 9. The Court further stated that “[w]hen an administrative agency is acting in a judicial capacity and resolves disputed issues of fact properly before it which the parties have had an adequate opportunity to litigate, the courts have not hesitated to apply res judicata to enforce repose.” *Id.* at 9-10 (quoting *University of Tenn. v. Elliott*, 478 U.S. 788, 797-798 (1986)) (internal quotation marks omitted). In so holding, the Supreme Court has effectively washed away the foundational assumption that underlay the Board’s historical tendency to stay Board proceedings while a district court proceeding was pending. The old concern that the Board’s decision on an issue, such as likelihood of confusion, would not carry appreciable weight in a district court has been conclusively and definitively rejected.

B&B Hardware makes clear that the Board’s decision on an issue may have the same preclusive effect as the decision of a district court, provided that the ordinary elements of issue preclusion are met. Further, as the ordinary elements of issue preclusion would always need to be met in order to successfully use the doctrine, a party seeking to invoke issue preclusion by applying the Board’s decision to a district court proceeding has the same burden as a party seeking to go the other direction (*i.e.*, by applying a district court decision on an issue to a Board proceeding). Thus, the Board may proceed with efficiently and effectively adjudicating trademark matters knowing that if the Board comes to a decision earlier than the district court (as seems likely in most cases, given the relative swiftness and efficiency of Board proceedings compared to court actions), the Board’s decision will carry substantial weight in any district court proceedings that remain. In light of the Supreme Court’s elimination of the primary rationale for staying Board proceedings pending the outcome of a civil case, it is no longer appropriate for Board proceedings to be stayed whenever an issue before the district court may simply “have a bearing on” an issue before the Board. *See, e.g., New Orleans Louisiana Saints LLC v. Who Dat? Inc.*, 99 U.S.P.Q.2d at 1552 (T.T.A.B. 2011).

Such broad and ready deference to the district court is no longer warranted in the new legal landscape created by *B&B Hardware*. Instead, the Board is free to focus on promoting the efficient resolution of disputes and conservation of judicial resources. As discussed below, the parties in this case each pleaded distinctly different claims asking for distinctly different relief, and thus there is no advantage to be gained by suspending Board proceedings. Thus, the Board may maximize efficient resolution of the specific issues before the Board by allowing the current cancellation proceeding to continue without suspension, without concern regarding issue

preclusion emanating from the district court based on *pre-B&B Hardware* notions regarding the weight of the Board's decision.

In light of the Supreme Court's holding in *B&B Hardware*, there is no benefit in terms of efficiency or finality to be gained by suspending this cancellation proceeding. Therefore, Applicant's motion to suspend this proceeding should be denied.

B. Suspension is inappropriate based on the pleadings, as the issues in each pleading are distinct and the district court's decision will have no bearing on the issue before the Board

As noted above, there is no rule that the Board should automatically stay proceedings when a civil suit is pending between the parties, as the final decision to stay Board proceedings rests exclusively with the Board. 37 C.F.R. § 2.117(a); TBMP § 510.02(a). Rather, the Board has long held that a stay will be granted only after careful examination of the pleadings in the civil action to determine whether the issues before the court may have a bearing on the rights of the parties in the Board proceeding. *See, e.g., New Orleans Louisiana Saints LLC v. Who Dat? Inc.*, 99 U.S.P.Q.2d 1550, 1552 (T.T.A.B. 2011). As explained by Professor McCarthy, staying Board proceedings while a district court addresses both an infringement claim and an opposition claim has typically been done in situations where the same plaintiff filed both the opposition action and the infringement action, e.g., *Midland Cooperatives, Inc. v. Midland International, Co.*, 421 F.2d 754, 164 U.S.P.Q. 579 (C.C.P.A. 1970), or where a defense counterclaim includes a request for cancellation of the plaintiffs mark, e.g., *Holley Performance Products, Inc. v. Quick Fuel Technology Inc.*, 624 F. Supp. 2d 610, 89 U.S.P.Q.2d 1788 (W.D. Ky. 2008). *See* 6 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §§ 32:47, 32:48 (2014). The present case, however, does not fit either of these typical situations. As detailed below, examination of the pleadings here shows that there is no overlap in claims between Applicant's

district court complaint and Opposer's opposition. Thus, although it may be efficient to allow the district court to resolve both infringement and opposition issues in the types of situations described by Professor McCarthy, there is no such advantage to be gained here, because Opposer and Applicant's claims clearly differ.

Looking first to the pleadings in the current Board proceeding, Opposer's Notice of Opposition, filed on August 7, 2015, specifically opposes Application Serial No. 86/476,717 because the proposed mark contains terms that are generic and the generic terms "BARN LIGHT" should be disclaimed. *See* Notice of Opposition 91223192, at p. 3.

Under Section 14 of the Trademark Act, 15 U.S.C. § 1063, the relief sought in the present proceeding is limited to the opposition to the registration without a disclaimer, and does not extend to impacting Applicant's use of its mark. *See Crash Dummy Movie, LLC v. Mattel, Inc.*, 601 F.3d 1387, 94 U.S.P.Q.2d 1315 (Fed. Cir. 2010) (Cancellation of a registration does not mean that the former registrant loses common-law rights in the mark); *Hammermill Paper Co. v. Gulf States Paper Co.*, 337 F.2d 662, 143 U.S.P.Q. 237 (C.C.P.A. 1964) ("[W]e point out that this [opposition] proceeding has nothing to do with divestiture or cancellation of trademarks. We are only concerned with a refusal to register a mark and the cancellation of a registration. Appellant's right to use it is not before us."). Further, none of the pleadings in the Civil Action indicate that Applicant is alleging any infringement or other claims asserting the pending Application Serial No. 86/476,717. In fact Applicant's current application is not even an issue at all in the Civil Action. Thus, Opposer's specific claim in this proceeding exclusively concerns the registrability of Applicant's mark.

Moreover, the district court's determination of whether Opposer's use of its mark infringes Applicant's registrations will have no bearing on the Board's decision regarding the

registrability of Applicant's Application Serial No. 86/476,717. It should be noted that the question at the heart of each issue is fundamentally different, *i.e.*, infringement based on actual use versus registrability. As pointed out by the Court of Customs and Patent Appeals many years ago, these are distinct and non-overlapping inquiries. *See Hammermill Paper Co. v. Gulf States Paper Corp.*, 337 F.2d 662 (C.C.P.A. 1964).

As the pleaded claims on record in each proceeding are distinctly different, and as the district court's determination regarding infringement based on actual use of Applicant's mark in all its different forms and combinations has no bearing on the question of the registrability of the mark as specifically shown in Application Serial No. 86/476,717, suspension of these proceedings would be inappropriate in this case. Thus, Applicant's request to suspend this cancellation proceeding should be denied.

C. The Board can quickly and efficiently resolve the issue of registrability in this proceeding while the district court proceeding on the different question of marketplace use moves forward.

The current opposition proceeding should also be allowed to proceed because given the Board's efficient docketing timelines for inter parties actions, the Board will have opportunity to make a determination on the specific issue of registrability relatively soon. As the continued existence (or not) of Applicant's pending application could impact the question of infringement in the district court, it would be beneficial to have the Board's expert and efficient determination on this issue in short order. Not only would this allow for economical and expeditious determination of the specific claim at issue in this proceeding, it would be of benefit to the district court. *See, e.g., Driving Force, Inc. v. Manpower, Inc.*, 498 F. Supp. 21, 211 U.S.P.Q. 60 (E.D. Pa. 1980) (acknowledging the Board's particular expertise on matters of trademark

registrability, and staying district court proceedings pending the Board's resolution of the registrability question, which would be a material aid to the court).

3. CONCLUSION

In conclusion, there is no reason for the Board to suspend this proceeding in light of the pending Civil Action filed by Applicant in the Middle District of Florida. The old rationale for suspending proceedings in light of district court litigation has been swept away by the Supreme Court's recent decision in *B&B Hardware*. Furthermore, in this particular situation, the district court's decision, which is limited to the current pleadings of record to addressing Applicant's use in the marketplace, would have no bearing on the specific issue of registrability at issue in this proceeding. In addition, the Board can efficiently and expertly resolve the issue of registrability while the district court action moves forward, thereby providing aid to the district court and prompt resolution of the specific issue before the Board. For the above reasons, Opposer respectfully asks that the Board deny Applicant's motion to suspend the present opposition proceeding.

Dated: September 23, 2015

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing **OPPOSER'S
MEMORANDUM IN OPPOSITION TO APPLICANT'S MOTION TO SUSPEND
PROCEEDINGS** was served on counsel for Applicant on this the 23rd day of September, 2015
via email and U.S. First Class Mail to:

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